

## Message Text

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ORIGIN DOE-11

INFO OCT-01 ARA-14 EUR-12 ISO-00 SOE-02 SS-15 ACDA-12  
L-03 EB-08 PM-05 NSCE-00 CIAE-00 INR-07 IO-14  
NSAE-00 NRC-07 OES-07 DODE-00 SP-02 INRE-00 SSO-00  
/120 R

DRAFTED BY USDOE:IA:JEAMMONS:TDT  
APPROVED BY OES/NET:LNSENZO  
OES/NET/EIC:DHOYLE  
EUR/SE:JMORTON  
T/D:DWELCH  
IO/SCT:AJILLSON  
ACDA:RWILLIAMSON  
S/AS:RKELLEY  
L/N:RBETTAUER  
ARA/AND:DCOX  
DESIRED DISTRIBUTION  
EB/ORF/FSE:W.RAMSAY

-----041769 301716Z /40

O P 301655Z DEC 77  
FM SECSTATE WASHDC  
TO AMEMBASSY VIENNA IMMEDIATE  
AMEMBASSY CARACAS PRIORITY  
INFO AMEMBASSY ATHENS PRIORITY

UNCLAS STATE 310180

USIAEA

E.O. 11652: N/A

TAGS: IAEA, TECH, MNUC, PARM, VE, US

SUBJECT: ALLOCATION OF US GIFT SPECIAL NUCLEAR MATERIAL  
TO IAEA FOR 1977

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REF: (A) VIENNA 10388, (B) VIENNA 10435, (C) STATE  
173994, (D) CARACAS 12292, E) CARACAS 12534

1. FOR VIENNA. DEPARTMENT AND DOE HAVE CONSIDERED  
REQUESTS OF VENEZUELA AND GREECE, AS TRANSMITTED BY  
IAEA (SEE REFS A AND B) THAT THEY BE CONSIDERED FOR  
US GIFT OF SNM IN 1977. MISSION IS REQUESTED INFORM

IAEA BY LETTER SIMILAR THAT PREVIOUSLY PROVIDED MISSION BY DOE (AMMONS TO LEAHY TELETYPE DECEMBER 16) PRIOR COB DECEMBER 31, 1977, THAT US IS PREPARED PROVIDE DOLS 50,000 WORTH OF 20 PERCENT ENRICHED URANIUM FOR RE-FUELLING RV-1 RESEARCH REACTOR AT SCIENTIFIC RESEARCH INSTITUTE NEAR CARACAS. WHEN PRESENTING LETTER TO IAEA, MISSION IS REQUESTED INFORM AGENCY ORALLY THAT US EMBASSY CARACAS IS BEING INSTRUCTED TO EXPRESS STRONG US CONCERN TO GOV PER PARA 4 BELOW. MISSION SHOULD EXPLAIN WHY DECISION WAS MADE NOT TO ALLOCATE ANY GIFT FUEL TO GREECE (PARA 5 BELOW) AND SHOULD STATE THAT WE BELIEVE VENEZUELA FULLY INTENDS TO NEGOTIATE NPT

SAFEGUARDS AGREEMENT AND THAT, THEREFORE, PARTICULARLY IN VIEW OF FACT THAT VENEZUELA REVISED ITS ENRICHMENT REQUEST IN RESPONSE TO STRONG US URGINGS AND IN EXPECTATION OF RECEIVING AT LEAST SOME MATERIAL AS GIFT, US DECIDED THAT ALLOCATION OF GIFT MATERIAL TO THIS PROJECT WAS WARRANTED. MISSION MAY POINT OUT THAT PROSPECTIVE EXPORT TO VENEZUELA IS SUBJECT TO NRC LICENSING. MISSION SHOULD ADVISE AGENCY THAT IN FUTURE US WOULD NOT EXPECT TO ALLOCATE GIFT MATERIAL TO ANY NATION NOT IN COMPLIANCE WITH ITS NPT OBLIGATION TO CONCLUDE SAFEGUARDS AGREEMENT.

2. FOR VIENNA. DEPARTMENT WILL DEVELOP DRAFT PROJECT UNCLASSIFIED

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AGREEMENT AS SOON AS POSSIBLE AND TRANSMIT IT TO THE MISSION AND TO GOV THROUGH MISSION. MISSION IS REQUESTED PROVIDE DEPARTMENT AND DOE WITH COPIES OF EXCHANGE OF LETTERS WITH IAEA ON 1977 GIFT ALLOCATION TO VENEZUELA.

3. FOR CARACAS. CARACAS IS REQUESTED INFORM HOST GOVERNMENT OF US 1977 GIFT OF SPECIAL NUCLEAR MATERIAL (SNM) THROUGH IAEA, ALTHOUGH LATTER WILL FORMALLY NOTIFY GOVERNMENT IN DUE COURSE. EMBASSY MAY DRAW ON INFORMATION PROVIDED REF C FOR BACKGROUND ON ANNUAL US GIFT FUEL ALLOCATIONS. IN ALLOCATING 1977 GIFT FUEL, US HAS NOTED FACT THAT VENEZUELA HAS RECEIVED US GIFT FUEL ONLY ONCE (1973) AS WELL AS VENEZUELAN POSITION, AS STATED IN ITS LETTER REQUEST TO IAEA, IN SUPPORT OF NONPROLIFERATION AND ITS DESIRE TO SUPPORT INITIATIVES OF FRIENDLY NATIONS DESIGNED TO PROMOTE NONPROLIFERATION OBJECTIVES. US ALSO STRONGLY ENCOURAGED BY VENEZUELA'S WILLINGNESS TO REVISE RV-1 FUEL REQUIREMENTS FROM HEU TO MATERIAL WITH 20 PERCENT ENRICHMENT. IN DISCUSSIONS, CARACAS SHOULD INDICATE THAT TRANSFER OF THE FUEL IS ULTIMATELY SUBJECT TO APPROVAL OF

EXPORT LICENSE BY NUCLEAR REGULATORY COMMISSION.

4. IN ADVISING HOST GOVERNMENT OF 1977 GIFT ALLOCATION, CARACAS IS REQUESTED TO REITERATE STRONG US CONCERN THAT VENEZUELA HAS NOT, REPEAT, NOT CONCLUDED AN NPT-SAFEGUARDS AGREEMENT WITH IAEA, AND THEREFORE HAS NOT MET ITS OBLIGATIONS UNDER NPT TO CONCLUDE REQUISITE AGREEMENT TO COVER ITS PEACEFUL NUCLEAR ACTIVITIES. EVEN THOUGH VENEZUELA'S EXISTING NUCLEAR ACTIVITIES ARE NOW SUBJECT TO IAEA SAFEGUARDS UNDER A USG/GOV/IAEA TRILATERAL SAFEGUARDS AGREEMENT COVERING THE RV-1 REACTOR AND FUEL, VENEZUELA HAS CLEAR OBLIGATION PURSUANT

TO NPT TO CONCLUDE NEW SAFEGUARDS AGREEMENT TO COVER  
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EXISTING AND ANY FUTURE PEACEFUL NUCLEAR ACTIVITIES. US AWARE THAT VENEZUELA INITIATED DISCUSSIONS WITH IAEA IN OCTOBER ON TERMS OF SAFEGUARDS AGREEMENT, BUT IS UNHAPPY WITH REPORTED LACK OF PROGRESS IN THEIR TALKS. IN DISCUSSIONS OF GIFT OFFER WITH VENEZUELAN OFFICIALS, CARACAS IS REQUESTED TO STRONGLY URGE THAT GOV COMPLETE NEGOTIATIONS WITH IAEA IN VERY NEAR FUTURE. YOU SHOULD ALSO POINT OUT THAT NRC LICENSING IS NOT AUTOMATIC AND THAT GOV CONCLUSION OF NPT SAFEGUARDS AGREEMENT WITH IAEA WILL LIKELY BE A MAJOR FACTOR IN EXPORT LICENSE REVIEW.

5. FOR ATHENS. IN CONSIDERING GREEK REQUEST FOR GIFT FUEL, DEPARTMENT AND DOE TOOK INTO CONSIDERATION FACT THAT GREECE HAS RECEIVED GIFT FUEL ON FOUR OCCASIONS, INCLUDING FULL DOLS 50,000 IN 1976. WHILE THE 1976 GIFT WAS FOR HEU FOR THE GREEK REACTOR, WE BELIEVE IT WOULD BE INAPPROPRIATE, IN LIGHT OF US POLICY OF LIMITING DISTRIBUTION ABROAD OF HEU WHERE POSSIBLE, TO ALLOCATE ADDITIONAL GIFT MATERIAL TO GREEK PROJECT AND THUS SEEM TO BE IN POSITION OF FURTHER ENCOURAGING USE OF HEU. WHILE IAEA WILL OFFICIALLY ADVISE GOG THAT ITS REQUEST FOR US GIFT FUEL WAS NOT ACCEPTED, EMBASSY IS REQUESTED TO DRAW ON ABOVE COMMENTS IN EXPLAINING TO APPROPRIATE GREEK OFFICIALS BACKGROUND ON US DECISION IN NOT APPROVING GREEK REQUEST.

6. FOR CARACAS. IT MAY BE USEFUL FOR RECORD AND CLEAR UNDERSTANDING TO INCLUDE FOREGOING POINTS IN AIDE MEMOIRE TO BE LEFT WITH GOV OFFICIALS. CHRISTOPHER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009